thousand nine hundred and forty-three by and between DONNER

LAKE COMPANY (a corporation), the party of the first part,
and SIERRA PACIFIC POWER COMPANY (a corporation) and TRUCKEECARSON IRRIGATION DISTRICT (an irrigation district organized
and existing under the laws of the State of Nevada), the
parties of the second part,

## WITNESSETH:

That the said party of the first part, in consideration of the sum of ten (10) dollars, lawful money of the United States of America, to it paid by the said parties of the second part (the receipt whereof is hereby acknowledged) does by these presents grant, bargain and sell, unto the said parties of the second part, as tenants in common, and to their successors and assigns, forever:

party of the first part in and to all waters now or hereafter in, of or pertaining to Donner Lake and its tributaries, situate in Nevada and Placer Counties, in the State of California (including the non-assignable right in favor of the parties of the second part, their officers and employees to the use of the surface of said Lake, in subordination, however, to the rights reserved to the party of the first part, its successors and assigns, in and by the Reservation Clause hereof), subject to the right of the party of the first part, its successors and assigns, to divert and use such amount of said waters as shall be necessary for domestic use upon or in connection with the lands and the Resort now owned by the party

of the first part, its successors, grantees and assigns, adjacent to or in the vicinity of Donner Lake:

- 2. The dam and controlling works situate in or on Donner Creek in said County of Nevada, near the lower end of said Donner Lake, together with the dam site appertaining thereto, and the exclusive rights to rebuild, reconstruct, alter and/or replace said dam and controlling works (at approximately the present site thereof) either with like or different materials, and to maintain and operate the same, subject to the conditions hereof;
- 3. All such permanent easements and rights over, upon or across the lands of the party of the first part, its successors or assigns, surrounding, underlying or adjacent to Donner Lake and/or Donner Creek, in said Counties of Placer and Nevada, as may be necessary or convenient for the construction, maintenance and operation of a channel, both above said dam and controlling works and below the same, (which shall follow the general course of the present channel), to such depth as to allow the proper draining and diverting of the waters of Donner Lake into Donner Creek; and also all such other rights as are or may be necessary for the convenient operation, use and maintenance of said dam and controlling works and channel and the use of said Donner Lake as a reservoir of such capacity as the parties of the second part may determine;
- 3. A perpetual easement and right of way for the construction, operation and maintenance of a

canal over and through the following described property of the party of the first part, situate in said Counties of Placer and Nevada, to-wit:

Lot 5, NE 1/4 of SE 1/4 and SE 1/4 of SE 1/4 of Section 18; SW 1/4 of NW 1/4 and NW 1/4 of SW 1/4 of Section 17, all in township 17 North, Range 16 East, M.D.B. & M., sufficient, in the judgment of the parties of the second part, for use as a diversion canal to divert the waters of Cold Stream into Donner Lake; it being understood that the location of said easement and right of way shall be selected by the parties of the second part, their successors or assigns, and notice thereof shall be given to the party of the first part, not later than December 31,1943; provided that the maximum width of said canal, measured at a height of four feet above the bottom thereof, shall be twenty-five (25) feet, together with such additional areas adjacent thereto as may be required for bank slopes, spoil banks and necessary clearance and rights for construction, operation and maintenance thereof, it being understood that the parties of the second part, at their own expense, shall, so far as practicable, smooth down said spoil banks;

5. The right to use said Donner Lake perpetually as a reservoir for the storage of water and to release water therefrom, including such easements of overflow and otherwise as may be necessary or proper to the exercise of such rights; provided that the parties of the second part, their successors and assigns, shall so operate said dam and controll-

ing works as to prevent, so far as reasonably practicable, the water surface of said Lake from exceeding the elevation of 5935.80 feet above sea level; and provided further that the parties of the second part, their successors and assigns, shall not release any water from said Lake which they control, during the months of June, July and August of any year, if the water surface of said Lake at the time of the proposed release thereof, is less than 5932.0 feet above sea level: it being understood that said elevations are referred to and based upon bench mark on said dem, the elevation of the top of which is conclusively presumed for the purpose of this indenture to be 5936.865 feet above sea level as referred to U.S.C.& G.S. bench mark U-10, described in Bulletin 766, Publication 1925, Spirit Leveling in California -1896-1923 - as being a red metal disc located 30 meters (98.4 feet) west of the Southern Pacific R.R. Co. passenger station in the Town of Truckee, California, on top surface of northwestern one of four central pillars under water tank, about 1.2 meters (3.94 feet) above rail, the elevation of which U.S.C. & G.S. bench mark is therein stated to be 5819.739 feet above sea level;

6. The right to enter upon any of the lands of the party of the first part adjacent to or in the vicinity of said Lake or Donner Creek, in so far as may be necessary for the convenient exercise of the rights granted hereby;

EXCEPTING AND RESERVING unto the party of the first part, its successors and assigns, the right to

the use of the surface of said Lake for boating, fishing, swimming and such other uses as shall not be inconsistent with the rights herein granted by the party of the first part to the parties of the second part and subject to all easements and rights of way now of record.

ing, as between the party of the first part, on the one hand, and the parties of the second part, on the other, the relation of principal and agent, master and servant, partners, or joint adventurers; and the parties of the second part, in the enjoyment of such rights and the operation of said dam and controlling works shall occupy the status of owners thereof; and the party of the first part shall not be responsible for or on account of any of the acts of the parties of the second part, their servants, agents or employees, in the operation of said dam or in the enjoyment of the rights herein granted.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said property, together with the appurtenences, unto the said parties of the second part, as tenants in common and to their successors and assigns forever.

IN WITNESS WHEREOF, the party of the first part, by its \_\_\_\_\_President and \_\_\_\_\_Secretary there-

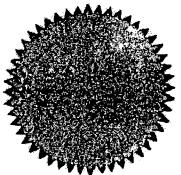
unto duly authorized by resolution of its Board of Directors, has caused its corporate name to be hereunto aubscribed and its corporate seal to be hereunto affixed, the day and year first above written.

DONNER LAKE COMPANY

By Street Atom Notice

By Secretary

Stute of Culifornia } ...



| On this                                 | rd day of                          | ray                | in the year One T           | housand Nine                           |
|---|------------------------------------|--------------------|-----------------------------|--|
| Hundred and Fo                          | Three<br>orty- <b>Be</b> before me | , KATHRYN E.       | stone, a Notary Public in   | n and for the                          |
| said City and Co                        | ounty of San Franc                 | isco, residing the | rein, duly commissioned an  | d sworn, per-                          |
| sonally appeared                        | <br>1                              |                    |                             | ~~···································· |
|   |                                    |                    |                             |  |
| WM.                                     | E. KLEINSOR                        | GE and A.          | R. MORRON                   |  |
| *************************************** |                                    |                    |                             |  |
| known to me to                          | be the Presid                      | lent and Se        | oretary, respect            | ively,                                 |
| of DONNER                               | LAKE COMPAN                        |                    |                             |  |
|   | described in and                   | that executed the  | within instrument, and also | known to me                            |

the Corporation described in and that executed the within instrument, and also known to me to be the person..... who executed the said instrument on behalf of the Corporation therein named and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal in the City and County of San Francisco, the day and year in this certificate first above written.

Notary Public in and lef the City and County of San Francisco, State of California, My Commission Expires March 16, 1946.

TELEPHONE BUtter 6955